

AKILI ACADEMY OF NEW ORLEANS
FINANCIAL STATEMENTS
FOR THE YEARS ENDED
JUNE 30, 2010 AND 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

1/12/11

ERICKSEN KRENTEL & LAPORTE_{LLP}

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

4227 CANAL STREET
NEW ORLEANS, LOUISIANA 70119-5996
TELEPHONE (504) 486-7275 • FAX (504) 482-2516
WWW.ERICKSENKRENTEL.COM

CONTENTS

	<u>PAGE</u>
<u>INDEPENDENT AUDITORS' REPORT</u>	1
<u>FINANCIAL STATEMENTS:</u>	
Exhibit "A" Statements of Financial Position	2
Exhibit "B" Statements of Activities	3
Exhibit "C" Statements of Cash Flows	4
Exhibit "D" Statements of Functional Expenses	5 – 6
Notes to Financial Statements	7 – 10
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	11 – 12
Schedule of Findings and Questioned Costs	13
Schedule of Prior Year Findings	14
<u>SCHEDULES REQUIRED BY STATE LAW (PERFORMANCE STATISICAL DATA)</u>	
Independent Auditors' Report on Applying Agreed-Upon Procedures	15 – 17
Schedule "1" General Fund Instructional and Support Expenditures and Certain Local Revenue Sources for the Year Ended June 30, 2010	18
Schedule "2" Education Levels of Public School Staff	19
Schedule "3" Number and Type of Public Schools	20
Schedule "4" Experience of Public Principals, Assistant Principals, and Full Time Classroom Teachers	21
Schedule "5" Public School Staff Data	22
Schedule "6" Class Size Characteristics	23

ERICKSEN KRENTEL & LAPORTE L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

4227 CANAL STREET
NEW ORLEANS, LOUISIANA 70119-5996
TELEPHONE (504) 486-7275 • FAX (504) 482-2516
WWW.ERICKSENKRENTEL.COM



JAMES E. LAPORTE*
KEVIN M. NEYREY
RICHARD G. MUELLER
RONALD H. DAWSON, JR.*
CLAUDE M. SILVERMAN*
W. ERIC POWERS
DENNIS J. TOZZARD*
JAMES E. TONGLET*

*PROFESSIONAL CORPORATION
*LIMITED LIABILITY COMPANY
BENJAMIN J. ERICKSEN - RETIRED
J.V. LECLERE KRENTEL - DECEASED

INDEPENDENT AUDITORS' REPORT

Board of Directors
Akili Academy of New Orleans
New Orleans, Louisiana

We have audited the accompanying statements of financial position of Akili Academy of New Orleans (the School), and the related statements of activities, functional expenses, and cash flows as of and for the years ended June 30, 2010 and 2009. These financial statements are the responsibility of the School's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Akili Academy of New Orleans as of June 30, 2010 and 2009, and the changes in its net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards* we have also issued our report dated November 29, 2010 on our consideration of Akili Academy of New Orleans' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

November 29, 2010

A handwritten signature in black ink, appearing to read "Ericksen Krentel & Laporte".

Certified Public Accountants

AKILI ACADEMY OF NEW ORLEANS
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2010 AND 2009

ASSETS

	<u>2010</u>	<u>2009</u>
<u>CURRENT ASSETS:</u>		
Cash and cash equivalents	\$ 242,418	\$ 74,354
Other receivables	82,635	57,346
Prepaid expenses	<u>10,380</u>	<u>15,516</u>
Total current assets	<u>335,433</u>	<u>147,216</u>
Total assets	<u>\$ 335,433</u>	<u>\$ 147,216</u>

LIABILITIES AND NET ASSETS

<u>CURRENT LIABILITIES:</u>		
Accounts payable	\$ 214,221	\$ 102,739
Accrued expenses	<u>67,828</u>	<u>13,346</u>
Total current liabilities	<u>282,049</u>	<u>116,085</u>
Total liabilities	<u>282,049</u>	<u>116,085</u>
<u>NET ASSETS:</u>		
Unrestricted	<u>53,384</u>	<u>31,131</u>
Total net assets	<u>53,384</u>	<u>31,131</u>
Total liabilities and net assets	<u>\$ 335,433</u>	<u>\$ 147,216</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

AKILI ACADEMY OF NEW ORLEANS
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<u>UNRESTRICTED NET ASSETS:</u>		
<u>Public Support Revenues and Other Support:</u>		
Local per pupil aid	\$ 670,443	\$ 487,966
Federal sources	395,209	338,997
State public school funds	548,370	352,540
Donations and contributions	133,501	17,571
Other local sources	3,322	1,782
Other state funds	<u>-</u>	<u>14,125</u>
Total public support and other revenues	<u>1,750,845</u>	<u>1,212,981</u>
<u>Expenses:</u>		
Program services:		
Instructional	948,256	756,621
Supporting services:		
Management and general	<u>780,359</u>	<u>641,165</u>
Total expenses	<u>1,728,615</u>	<u>1,397,786</u>
<u>Other Income:</u>		
Interest income	<u>23</u>	<u>-</u>
Total other income	<u>23</u>	<u>-</u>
Change in net assets	22,253	(184,805)
Beginning net assets	<u>31,131</u>	<u>215,936</u>
Ending net assets	<u>\$ 53,384</u>	<u>\$ 31,131</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

AKILI ACADEMY OF NEW ORLEANS
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<u>CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES:</u>		
Increase (decrease) in net assets	\$ 22,253	\$ (184,805)
Adjustments to reconcile change in net assets to cash from operating activities:		
(Increase) decrease in:		
Other receivables	(25,289)	(57,346)
Prepaid expenses	5,136	(15,516)
Increase (decrease) in:		
Accounts payable	111,482	93,869
Accrued expenses	<u>54,482</u>	<u>13,346</u>
Net cash from (used for) operating activities	<u>168,064</u>	<u>(150,452)</u>
Net increase (decrease) in cash and cash equivalents	168,064	(150,452)
Cash and cash equivalents, beginning of year	<u>74,354</u>	<u>224,806</u>
Cash and cash equivalents, end of year	<u><u>\$ 242,418</u></u>	<u><u>\$ 74,354</u></u>

See accompanying NOTES TO FINANCIAL STATEMENTS

AKILI ACADEMY OF NEW ORLEANS
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2010

	Program Services <u>Instructional</u>	Support Services <u>Management And General</u>	<u>Total</u>
Regular education programs	\$ 816,220	\$ -	\$ 816,220
School administration	-	271,582	271,582
Operation and maintenance of plant services	-	96,031	96,031
Special education programs	118,276	-	118,276
Food services	-	27,976	27,976
Business services	-	80,364	80,364
Student transportation	-	190,635	190,635
Central services	-	33,298	33,298
Instructional staff services	13,760	-	13,760
General administration	-	53,058	53,058
Other support services	-	27,415	27,415
	<u>\$ 948,256</u>	<u>\$ 780,359</u>	<u>\$ 1,728,615</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

AKILI ACADEMY OF NEW ORLEANS
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2009

	Program Services	Support Services Management And General	Total
	<u>Instructional</u>	<u>General</u>	<u>Total</u>
Regular education programs	\$ 576,126	\$ -	\$ 576,126
School administration	-	229,866	229,866
Operation and maintenance of plant services	-	79,911	79,911
Special education programs	145,729	-	145,729
Food services	-	19,797	19,797
Business services	-	81,899	81,899
Student transportation	-	164,678	164,678
Central services	-	29,501	29,501
Instructional staff services	34,766	-	34,766
General administration	-	24,720	24,720
Other support services	-	10,793	10,793
	<u>\$ 756,621</u>	<u>\$ 641,165</u>	<u>\$ 1,397,786</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

AKILI ACADEMY OF NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Akili Academy of New Orleans (the School) is a Louisiana not-for-profit organization incorporated in 2007 for the purpose of operating a charter school in New Orleans, Louisiana. The School was created to inform and educate citizens of Louisiana on how school choice initiatives can improve primary education in Louisiana.

The Louisiana Board of Elementary and Secondary Education (BESE) approved the granting of a charter to the School for an initial term of three years. The charter will terminate on June 30, 2011, unless BESE grants the Charter Operator a two year extension of the Charter School Contract to operate a Type 5 Charter School in the Louisiana Recovery School District, as defined in LA R.S.17:3992 and 3998. Upon completion of the charter school's fifth year of operation, the Charter Contract may be renewed at the discretion of BESE pursuant to applicable provisions of Title 17, Chapter 42, of the Louisiana Revised Statutes and BESE policy.

Basis of Accounting

The School prepares its financial statements in accordance with generally accepted accounting principles, which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958-210-45 *Not-for-Profit Entities—Balance Sheet Presentation*, (previously Statement of Financial Accounting Standard (SFAS) No. 117). Under FASB ASC 958-210-45, the School is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

AKILI ACADEMY OF NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010 AND 2009

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions.

Contributions that are restricted by the donors are reported as increases in unrestricted net assets if the restrictions expire in the reporting period in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When restrictions expire (that is, when a stipulated time restriction ends or purpose of restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying statements of activities as net assets released from restrictions.

Land, Buildings, Equipment and Improvements

Currently the School has no land, buildings, equipment or improvements. However, when the School obtains any of these items, the capitalization policy is as follows. Acquisitions of buildings, equipment, and improvements in excess of \$5,000 and all expenditures for repairs, maintenance, and betterments that materially prolong the useful lives of assets are capitalized. Buildings, equipment, and improvements are stated at cost less accumulated depreciation. Depreciation is being provided by use of the straight-line method over the estimated useful lives of the related assets as follows: building improvements, 5 years; equipment, 3-7 years.

Donated Equipment and Services

Donated equipment is reflected as contributions in the accompanying financial statements at their estimated values at the date of receipt. The School receives a substantial amount of donated services from unpaid volunteers who assist in carrying out the School's instructions and fundraising activities. No amounts have been reflected in the statements for donated services because they did not meet the criteria for recognition under generally accepted accounting principles.

Income Taxes

The School is a not-for-profit organization exempt from federal income taxes under Internal Revenue Code Section 501(c)(3).

Cash and Cash Equivalents

For the purposes of the statements of cash flows, the School considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

AKILI ACADEMY OF NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010 AND 2009

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expenses

The cost of program and supporting services has been reported on a functional basis. This requires the allocation of certain costs based on total program costs and estimates made by management.

Subsequent Events

Subsequent events have been evaluated through November 29, 2010, which is the date the financial statements were available to be issued.

(2) OTHER RECEIVABLES

At June 30, 2010, the School had the following receivables:

<u>Louisiana Department of Education:</u>	
Title I	\$ 129
Title II	4,884
IDEA B ARRA	9,053
PCSP	<u>68,569</u>
	<u>\$ 82,635</u>

(3) OPERATING LEASES

The School has an operating lease for the use of two copy machines. The monthly rental payment is \$563 and the minimum lease obligation expires August 2013.

Minimum lease payments under operating leases at June 30, 2010 are as follows:

<u>Years Ending</u> <u>June 30,</u>	
2011	\$ 6,756
2012	6,756
2013	6,756
2014	<u>1,126</u>
	<u>\$ 21,394</u>

Lease payments during the year ended June 30, 2010 and 2009 totaled \$6,756, and \$3,941, respectively.

AKILI ACADEMY OF NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010 AND 2009

(4) CONCENTRATIONS OF CREDIT RISK

The School maintains its deposits in several financial institutions. Accounts at these institutions are insured by the U.S. Federal Deposit Insurance Corporation up to \$250,000 per account. The balances at times may exceed federally insured limits. At June 30, 2010 and June 30, 2009, the cash balance did not exceed the insured amount.

(5) SCHOOL OPERATIONS/LEASEHOLD INTEREST

The School entered into an agreement with the State of Louisiana, Department of Education, Recovery School District, which allows the School to use the facilities and its contents located at 1700 Pratt Drive, New Orleans, Louisiana 70122. The agreement expires on June 30, 2011. The agreement may be extended for two additional years at the option of the State of Louisiana, Department of Education, Recovery School District. The agreement may be renewed at the discretion of BESE.

Alterations made by the School shall not diminish the value of the property at the time the alterations are approved, unless agreed upon by the State of Louisiana, Department of Education, Recovery School District and the School. Any physical additions or improvements to the property will become property of the State of Louisiana, Department of Education, Recovery School District. The State of Louisiana, Department of Education, Recovery School District may require, at the expense of the School, removal of these physical additions or improvements.

The School is responsible for all necessary maintenance to ensure that the facilities comply with all state and local health and safety standards and other applicable laws, regulations, and rules.

Use of the property is not recorded as an in-kind contribution from the State of Louisiana, Department of Education, Recovery School District, and related rent expense. The value of the land and building is not readily determinable. The agreement is classified as an exchange transaction because both parties receive significant value from this arrangement. Accordingly, the present value of the benefit to be received in future years has not been recorded.

(6) COMMITMENTS

The School has employment contracts, as are standard in the field of education, with most of its employees. The contracts for the years June 30, 2010 and June 30, 2009 expired at their respective year ends. All contracts provide for a minimum annual salary and other benefits.

(7) RECLASSIFICATIONS

Certain reclassifications have been made to prior year amounts to conform with current year presentations.

ERICKSEN KRENTEL & LA PORTE L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

4227 CANAL STREET
NEW ORLEANS, LOUISIANA 70119-5996
TELEPHONE (504) 486-7275 • FAX (504) 482-2516
WWW.ERICKSENKRENTEL.COM



JAMES E. LA PORTE*
KEVIN M. NEYREY
RICHARD G. MUELLER
RONALD H. DAWSON, JR.*
CLAUDE M. SILVERMAN*
W. ERIC POWERS
DENNIS J. TIZZARD*
JAMES E. TONGLET*

*PROFESSIONAL CORPORATION
*LIMITED LIABILITY COMPANY
BENJAMIN J. ERICKSEN - RETIRED
J.V. LECLERE KRENTEL - DECEASED

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Akili Academy of New Orleans

We have audited the financial statements of Akili Academy of New Orleans (the School) as of and for the year ended June 30, 2010, and have issued our report thereon dated November 29, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purposes described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses.

To the Board of Directors
Akili Academy of New Orleans
November 29, 2010

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information and use of management, the Board of Directors, others within the entity, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

November 29, 2010


Certified Public Accountants

**AKILI ACADEMY OF NEW ORLEANS
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2010**

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of Akili Academy of New Orleans.
2. No significant deficiencies disclosed during the audit of the financial statements are reported on the Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Akili Academy of New Orleans were disclosed during the audit.
4. No management letter was issued for the year ended June 30, 2010.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

None

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT

None

AKILI ACADEMY OF NEW ORLEANS
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2010

**SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE
FINANCIAL STATEMENTS**

2009-1 Segregation of Duties for Disbursements (2009, initial year finding was reported)

Our evaluation of the internal control structure revealed an absence of appropriate segregation of duties consistent with appropriate control objectives regarding cash disbursements. The signed checks are returned to the individual responsible for creating the checks.

Corrective action was taken by Akili Academy of New Orleans. This issue has been resolved.

2009-2 Segregation of Duties for Receipts (2009, initial year finding was reported)

Our evaluation of the internal control structure revealed an absence of appropriate segregation of duties consistent with appropriate control objectives regarding cash receipts. The Director of Finance and Operations prepares the deposit slip, posts receipts to the general ledger, and makes the deposits.

Corrective action was taken by Akili Academy of New Orleans. This issue has been resolved.

**SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE
FEDERAL AWARDS**

None Noted

SECTION III MANAGEMENT LETTER

None Noted

ERICKSEN KRENTEL & LAPORTE L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

4227 CANAL STREET
NEW ORLEANS, LOUISIANA 70119-5996
TELEPHONE (504) 486-7275 • FAX (504) 482-2516
WWW.ERICKSENKRENTEL.COM



JAMES E. LAPORTE*
KEVIN M. NEYREY
RICHARD G. MUELLER
RONALD H. DAWSON, JR.*
CLAUDE M. SILVERMAN*
W. ERIC POWERS
DENNIS J. TIZZARD*
JAMES E. TONGLEY*

*PROFESSIONAL CORPORATION
*LIMITED LIABILITY COMPANY
BENJAMIN J. ERICKSEN - RETIRED
J.V. LECLERE KRENTEL - DECEASED

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Directors
Akili Academy of New Orleans
New Orleans, Louisiana

We have performed the procedures enumerated below, which were agreed to by Akili Academy of New Orleans and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data for the year ended June 30, 2010, accompanying the annual financial statements of the School and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin. The School System is responsible for the performance and statistical data. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

General Fund Instructional and Support Expenditures and Certain Local Revenue Sources (Schedule 1)

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:
 - a. Total General Fund Instructional Expenditures,
 - b. Total General Fund Equipment Expenditures,
 - c. Total Local Taxation Revenue,
 - d. Total Local Earnings on Investment in Real Property,
 - e. Total State Revenue in Lieu of Taxes,
 - f. Nonpublic Textbook Revenue,
 - g. Nonpublic Transportation Revenue.

Board of Directors
Akili Academy of New Orleans
November 29, 2010

Educational Levels of Public School Staff (Schedule 2)

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to the school board supporting payroll records as of October 1, 2009.
3. We reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total of principals and assistant principals per this schedule.
4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1st and as reported on the schedule. We traced the entire population to the individual's personnel files and determined if the individual's education level was properly classified on the schedule.

Number and Type of Public Schools (Schedule 3)

5. We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title 1 Grants to Local Education Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application.

Experience of Public Principals and Full-time Classroom Teachers (Schedule 4)

6. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1, 2009 and as reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file and determined if the individual's experience was properly classified on the schedule.

Public Staff Data (Schedule 5)

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced all 13 teachers to the individual's personnel file and determined if the individual's salary, extra compensation, and the full-time equivalents were properly included on the schedule.

Board of Directors
Akili Academy of New Orleans
November 29, 2010

8. We recalculated the average salaries and full-time equivalents reported in the schedule.

Class Size Characteristics (Schedule 6)

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We traced a random sample of 4 classes to the October 1, 2009 roll books for those classes and determined that the class was properly classified on the schedule.

No exceptions were found as a result of applying the above procedures.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management of Akili Academy of New Orleans, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and is not intended to be and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

November 29, 2010


Certified Public Accountants

AKILI ACADEMY OF NEW ORLEANS
GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES AND
CERTAIN LOCAL REVENUE SOURCES
FOR THE YEAR ENDED JUNE, 30 2010
AS OF OCTOBER 1, 2009

GENERAL FUND INSTRUCTIONAL AND EQUIPMENT
EXPENDITURES

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom teacher salaries	\$ 451,737
Other instructional staff activities	-
Employee benefits	96,697
Purchased professional and technical services	32,147
Instructional materials and supplies	21,238
Instructional equipment	<u>115</u>

Total teacher and student interaction activities \$ 601,934

Other instructional activities 11,943

Pupil support activities 19,883

Less: Equipment for pupil support activities -

Net pupil support activities 19,883

Instructional staff services 6,826

Less: Equipment for instructional staff services 1,891

Net instructional staff services 4,935

School Administration 258,841

Less: Equipment for school administration -

Net school administration 258,841

Total general fund instructional expenditures \$ 897,536

Total general fund equipment expenditures \$ 1,891

CERTAIN LOCAL REVENUE SOURCES

Note: Akili Academy of New Orleans receives local revenues from the Orleans Parish School Board, which is passed through the Recovery School District. Akili does not receive a detailed schedule of the source of these revenues. This section is not applicable to charter schools under the Recovery School District.

AKILI ACADEMY OF NEW ORLEANS
SCHEDULE OF EDUCATION LEVELS OF PUBLIC SCHOOL STAFF
FOR THE YEAR ENDED JUNE, 30 2010
AS OF OCTOBER 1, 2009

<u>CATEGORY:</u>	<u>Full Time Classroom Teachers</u>				<u>Principals and Assistant Principals</u>			
	<u>Certificated</u>		<u>Uncertificated</u>		<u>Certificated</u>		<u>Uncertificated</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Less than a Bachelor's Degree	-	-	-	-	-	-	-	-
Bachelor's Degree	10	77%	-	-	-	-	-	-
Master's Degree	3	23%	-	-	-	-	2	100%
Master's Degree + 30	-	-	-	-	-	-	-	-
Specialist in Education	-	-	-	-	-	-	-	-
PhD or EdD	-	-	-	-	-	-	-	-
Total	<u>13</u>	<u>100%</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>100%</u>

AKILI ACADEMY OF NEW ORLEANS
SCHEDULE OF NUMBER AND TYPE OF PUBLIC SCHOOLS
FOR THE YEAR ENDED JUNE, 30 2010
AS OF OCTOBER 1, 2009

<u>TYPE:</u>	<u>NUMBER</u>
Elementary	1
Middle / Jr. High	-
Secondary	-
Combination	-
	<hr/>
Total	<u>1</u>

Note: Schools opened or closed during the year are included in this schedule.

AKILI ACADEMY OF NEW ORLEANS
SCHEDULE OF EXPERIENCE OF PUBLIC PRINCIPALS, ASSISTANT PRINCIPALS
AND FULL TIME CLASSROOM TEACHERS
FOR THE YEAR ENDED JUNE, 30 2010
AS OF OCTOBER 1, 2009

	<u>0-1 Years</u>	<u>2-3 Years</u>	<u>4-10 Years</u>	<u>11-14 Years</u>	<u>15-19 Years</u>	<u>20-24 Years</u>	<u>25+ Years</u>	<u>Total</u>
Assistant Principals	-	-	1	-	-	-	-	1
Principals	-	-	1	-	-	-	-	1
Classroom Teachers	<u>8</u>	<u>3</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13</u>
Total	<u>8</u>	<u>3</u>	<u>4</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15</u>

AKILI ACADEMY OF NEW ORLEANS
SCHEDULE OF PUBLIC SCHOOL STAFF DATA
FOR THE YEAR ENDED JUNE, 30 2010
AS OF OCTOBER 1, 2009

	<u>All Classroom Teachers</u>	<u>Classroom Teachers Excluding ROTC, Rehired Retirees and Flagged Salary Reductions</u>
Average classroom teachers salary including extra compensation	\$ 45,565.36	\$ 45,565.36
Average classroom teachers salary excluding extra compensation	\$ 45,565.28	\$ 45,565.36
Number of teacher full-time equivalents (FTE's) used in computation of average	12.5	12.5

Note: Figures reported include all sources of funding (i.e., federal, state, and local) but exclude stipends and employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers; some teachers may have been flagged as receiving reduced salaries (e.g., extended medical leave); and ROTC teachers usually receive more compensation because of a federal supplement. For these reasons, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes, temporary employees, and any teachers on sabbatical leave during any part of the school year.

AKILI ACADEMY OF NEW ORLEANS
CLASS SIZE CHARACTERISTICS
FOR THE YEAR ENDED JUNE, 30 2010
AS OF OCTOBER 1, 2009

	CLASS SIZE RANGE							
	1-20		21-26		27-33		34+	
SCHOOL TYPE:	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	-	-	33%	2	67%	4*	-	-
Elementary/Activity Classes	-	-	-	-	-	-	-	-
Middle / Jr. High	-	-	-	-	-	-	-	-
Middle / Jr. High Activity Classes	-	-	-	-	-	-	-	-
High	-	-	-	-	-	-	-	-
High Activity Classes	-	-	-	-	-	-	-	-
Combination	-	-	-	-	-	-	-	-
Combination Activity Classes	-	-	-	-	-	-	-	-

Note: The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K-3 is 26 students and maximum enrollment in grades 4-12 is 33 students. These limits do not apply to activity classes such as physical education, chorus, band, and other classes without maximum enrollment standards. Therefore, these classes are included only as separate line items.

* Each class contains 2 full time teachers.